



# Department of Justice

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FOR IMMEDIATE RELEASE  
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AT  
(202) 616-2771  
TDD (202) 514-1888

**CHICAGO MAN WILL PAY \$425,000 CIVIL PENALTY TO SETTLE CHARGES OF VIOLATING ANTITRUST PREMERGER NOTIFICATION REQUIREMENTS**

WASHINGTON, D.C. -- William F. Farley, the controlling shareholder of a Chicago hosiery and textile products company, will pay a \$425,000 civil penalty to settle charges that his company's 1988 acquisition of stock in a Georgia company violated antitrust premerger requirements, the Department of Justice's Antitrust Division announced today.

The Department filed a proposed consent decree today in U.S. District Court in Chicago that would settle its 1992 case alleging that Farley violated the premerger notification and waiting period requirements of the Hart-Scott-Rodino Act when his company, Farley Inc., acquired more than \$15 million in voting securities of West Point-Pepperell in 1988. Farley agreed to make the payment under the terms of a consent decree, which must be approved by the court.

The complaint, filed by the Department at the request of the Federal Trade Commission, alleged that Farley violated the act on March 24, 1988, when Farley Inc. failed to file premerger notifications before acquiring more than \$15 million of voting

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securities of West Point-Pepperell of West Point, Georgia, also a manufacturer and seller of hosiery and other textile products. Farley Inc., according to the complaint, went on to acquire approximately 4.8 percent of West Point-Pepperell voting securities without filing required premerger notifications. The complaint alleged that the violation continued through June 22, 1988.

Assistant Attorney General Anne K. Bingaman, in charge of the Antitrust Division, said, "The Hart-Scott-Rodino Act provides a vital antitrust enforcement tool by requiring that parties to certain large mergers and acquisitions notify the antitrust law enforcement agencies and observe a waiting period before consummating their transactions, unless they fall within a clearly recognized exemption, which did not happen in this case.

"Although the Hart-Scott-Rodino Act exempts acquisitions of 10 percent or less of a company's stock made 'solely for the purpose of investment,' Farley was considering acquiring control of West Point and thus the acquisition was not 'solely' for the purpose of investment," Bingaman continued.

The Hart-Scott-Rodino Act of 1976, an amendment of the Clayton Act, imposes notification and waiting period requirements on individuals and companies over a certain size before they consummate acquisitions of stock or assets over a certain value or ownership percentage.

The act permits a federal court, upon the Department's

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request, to assess a civil penalty of up to \$10,000 for each day a person is in violation.

The Antitrust Division litigated this case utilizing attorneys from the Federal Trade Commission who were appointed as Special Attorneys pursuant to 28 U.S.C. §515.

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